

IN THE CHANCERY COURT FOR LEWIS COUNTY
AT HOHENWALD, TENNESSEE

IN RE:

SENTINEL TRUST COMPANY

No. 4781

**COMMISSIONER-IN-POSSESSION'S PETITION FOR APPROVAL OF
BOND PAYMENT**

The Commissioner of the Tennessee Department of Financial Institutions, as Commissioner-in-possession of Sentinel Trust Company ("Sentinel"), by and through his counsel of record, the Attorney General and Reporter, hereby petitions this Court for approval of payment of the bond interest payment as set forth herein.

1. Sentinel Trust Company ("Sentinel") is a Tennessee corporation, located in Hohenwald, Lewis County, Tennessee, engaged in fiduciary activities and subject to regulation by the Commissioner under the Tennessee Banking Act pursuant to Tenn. Code Ann. § 45-1-124.

2. On May 18, 2004, the Commissioner of the Tennessee Department of Financial Institutions ("Commissioner") took emergency possession of Sentinel pursuant to Tenn. Code Ann. §§ 45-2-1502(b)(2) and (c)(1). Subsequently, on June 18, 2004, the Commissioner issued a Notice of Liquidation of Sentinel Trust Company in accordance with the provisions of Tenn. Code Ann. §§ 45-2-1502(c)(2) and 1504.

3. Tenn. Code Ann. § 45-2-1504(a)(3) provides that

[i]n liquidating a state bank, the commissioner may exercise any power of the office of commissioner, but shall not, without the

approval of the court, in which notice of possession has been filed;
... [m]ake any payment on any claim, other than a claim upon an
obligation incurred by the commissioner, before preparing and
filing a schedule of the commissioner's determinations in
accordance with this chapter.

4. Sentinel Trust serves as the registrar and paying and /or escrow agent on approximately 99 municipal bond issues. On October 18 and November 15, 2004, this Court entered orders approving the payment of interest and principal on those municipal bond issues that were due during the months of November and December, 2004. Such payments did not require the use of any of the funds from the pooled fiduciary account.

5. Since the entry of those orders, the Commissioner has determined that there is one bond issue (Munford, Tennessee Water and Sewer Revenue and Tax Bonds, Series 1997) that had an interest payment of \$31,716.88 due to be made November 1, 2004 and that was inadvertently not included in the Commissioner's previous petitions seeking the Court's approval. The entire amount of funds to make this payment are due from the municipality and will not require the use of any funds from the pooled fiduciary account.

6. As such, pursuant to Tenn. Code Ann. § 45-2-1504(a)(3), the Commissioner hereby requests this Court's approval to pay the interest payment on this bond issue, as such payment will not require the use of any of the funds in the pooled fiduciary account.

Respectfully submitted,

PAUL G. SUMMERS
Attorney General and Reporter



JANET M. KLEINFELTER (BPR 13889)

Senior Counsel

Financial Division

425 5th Avenue North

Nashville, TN 37243

(615) 741-7403

**THIS MOTION IS SET TO BE HEARD ON THE COURT'S REGULAR
MOTION DOCKET ON WEDNESDAY, DECEMBER 1, 2004 AT 9:00 A.M. IN
HOHENWALD, LEWIS COUNTY, TENNESSEE.**